

AMENDED IN SENATE APRIL 12, 2007

AMENDED IN SENATE MARCH 26, 2007

**SENATE BILL**

**No. 630**

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**Introduced by Senator Aanestad**  
**(Coauthor: Senator Cogdill)**  
(Coauthor: Assembly Member Jeffries)

February 22, 2007

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An act to add Section 15819.70 to the Government Code, ~~relating to veterans and to repeal Section 4 of Chapter 252 of the Statutes of 1998, relating to public works~~, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 630, as amended, Aanestad. ~~Veterans' homes.~~ *Public works.*

~~The~~

(1) *The* State Building Construction Act of 1955 authorizes the State Public Works Board to acquire or construct public buildings and to issue revenue bonds, negotiable notes, and negotiable bond anticipation notes to finance that construction. Existing law authorizes the State Public Works Board to issue \$162,000,000 in lease-revenue bonds, notes, or bond anticipation notes pursuant to that law to finance the acquisition, design, construction, establishment, equipping, renovation, or expansion of veterans' homes at Yountville, Barstow, Chula Vista, Lancaster, Saticoy, and West Los Angeles, and in Fresno County and Shasta County, as provided. Existing law continuously appropriates funds derived from the sale of these instruments to the board, on behalf of the Department of Veterans Affairs, for this purpose.

This bill would appropriate \$30,000,000 from the Public Buildings Construction Fund to the Department of Veterans Affairs, to finance

the acquisition, design, construction, establishment, equipping, renovation, or expansion of the veterans' homes, as specified, and would also authorize the board to issue additional lease-revenue bonds, notes, or bond anticipation notes for that purpose. This bill would appropriate additional funds from the Public Buildings Construction Fund, as specified, to the Department of Veterans Affairs, in order to finance specified projects that are ready to proceed to bid for which there are insufficient funds in the federal appropriation, and would require the federal funds, when they become available and are received, to be used to reimburse any interim financing, as provided.

This bill would condition any issuance of bonds or notes for these purposes upon priority 1 placement on the United States Department of Veterans Affairs State Home Grant Program Priority List.

*(2) Existing law authorizes the Director of General Services, when authorized by the Legislature, to use the design-build procurement process for a specific project, to contract and procure state office facilities, other buildings, structures, and related facilities, as provided, and requires the director, prior to contracting for the procurement of state office facilities and other state buildings and structures, to prepare a program setting forth the scope of the project and to establish a competitive prequalification process, as provided. Existing law, with specified exceptions, prohibits the expenditure of funds appropriated for a design-build project, until the Department of Finance and the State Public Works Board have approved performance criteria or performance criteria and concept drawings for the project, as specified, and reverts any appropriated amounts for the design-build phase of a design-build project, where the funds have been expended on the design-build phase by any state agency prior to this approval, to the fund from which the appropriation was made. Existing law provides that these provisions shall only remain operative until the completion of certain design-build projects, or January 1, 2006, whichever occurs later.*

*This bill would repeal the provision that makes these provisions inoperative, thereby extending the design-build procurement process and related provisions indefinitely.*

~~This~~

*(3) This bill would declare that it is to take effect immediately as an urgency statute.*

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. The Legislature hereby finds and declares both*  
2 *of the following:*

3     *(a) Due to contract bids for the three Southern California*  
4 *veterans' homes exceeding the original amount estimated by the*  
5 *Department of Veterans Affairs, additional funding is needed for*  
6 *the construction and completion of a new veteran's home in Shasta*  
7 *and Fresno Counties.*

8     *(b) Therefore, thirty million dollars (\$30,000,000) in*  
9 *lease-revenue bonds, as provided by this act, is necessary for the*  
10 *construction and completion of a new veterans' home in Shasta*  
11 *and Fresno Counties.*

12     ~~SECTION 1.~~

13     *SEC. 2.* Section 15819.70 is added to the Government Code,  
14 to read:

15     15819.70. (a) (1) There is hereby appropriated thirty million  
16 dollars (\$30,000,000) from the Public Buildings Construction Fund  
17 to the Department of Veterans Affairs for the acquisition, design,  
18 construction, establishment, equipping, renovation, or expansion  
19 of the veterans' homes specified in Section 15819.60.

20     (2) The State Public Works Board may issue lease-revenue  
21 bonds, notes, or bond anticipation notes pursuant to Chapter 5  
22 (commencing with Section 15830) to finance the acquisition,  
23 design, construction, establishment, equipping, renovation, or  
24 expansion of the veterans' homes specified in Section 15819.60.

25     (3) The Department of Veterans Affairs is authorized and  
26 directed to execute and deliver any and all leases, contracts,  
27 agreements, or other documents necessary or advisable to  
28 consummate the sale of bonds or otherwise effectuate the financing  
29 of the scheduled projects.

30     (b) The amounts specified in subdivision (a) shall be available,  
31 in addition to any federal funds or other state funds available, for  
32 the acquisition, design, construction, establishment, equipping,  
33 renovation, or expansion of the veterans' homes specified in  
34 Section 15819.60.

35     (c) The issuance of bonds or notes under this section is  
36 contingent upon priority 1 placement on the United States  
37 Department of Veterans Affairs State Home Grant Program Priority  
38 List.

(d) In anticipation of federal matching share funding available pursuant to the State Veterans' Home Assistance Improvement Act of 1977 (38 U.S.C. Sec. 8131 et seq.), the board and the Department of Veterans Affairs may obtain interim financing for the project costs authorized in Section 15819.60 from any appropriate source, including, but not limited to, the Pooled Money Investment Account pursuant to Sections 16312 and 16313.

(e) In the event that any project authorized by Section 15819.60 and given priority 1 status on the United States Department of Veterans Affairs State Home Grant Program Priority List is ready to proceed to bid but there are insufficient funds in the federal appropriation, an amount equal to the anticipated federal grant, as shown on the most current participation document, shall be additionally appropriated from the Public Buildings Construction Fund to the Department of Veterans Affairs. As the federal funds become available and are received, they shall be used to first reimburse any interim financing, as authorized by subdivision (d), that are still outstanding for those projects. If no interim financing is outstanding, the funds shall first be used to redeem or defease any bonds issued for those projects, and secondly to offset debt service payments.

(f) In the event that the bonds authorized for projects in Section 15819.60 are not sold, the Department of Veterans Affairs shall commit a sufficient portion of its current support appropriation, as determined by the Department of Finance, to repay any interim financing. It is the intent of the Legislature that this commitment be made until all interim financing is repaid either through the proceeds from the sale of bonds or from an appropriation.

(g) (1) Notwithstanding Section 13340, all funds appropriated pursuant to this section shall be continuously appropriated to the Department of Veterans Affairs for the projects authorized by Section 15819.60.

(2) In addition to the funds appropriated pursuant to this section, the federal matching funds available pursuant to the State Veterans' Home Assistance Improvement Act of 1977 (38 U.S.C. Sec. 8131 et seq.) are hereby continuously appropriated to the Department of Veterans Affairs for the projects authorized by Section 15819.60.

(h) The board shall not itself be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public

Resources Code) for any activities under the State Building Construction Act of 1955 (commencing with Section 15800). This subdivision does not exempt any participating agency or department from the requirements of the California Environmental Quality Act, and is intended to be declarative of existing law.

*SEC. 3. Section 4 of Chapter 252 of the Statutes of 1998 is repealed.*

~~SEC. 4. Sections 2 and 3 of this act shall remain operative only until the completion of at least five design-build projects, each with a value of ten million dollars (\$10,000,000) or more, or until January 1, 2006, whichever occurs later.~~

~~SEC. 2.~~

*SEC. 4.* This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to equip, design, and construct various veterans' homes at the earliest possible time, it is necessary that this act take effect immediately.